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CENTRAL INTELLIGENCE AGENCY

REPORT NO.

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Second Plenary Session of the Chinase Communist Central Committee

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The following report is a translation of a report on the Second Plenary Session of the Chinese Communist (CCP) Central Committee. The identity of the author of the document is unknown, as is its date. The form of the document as it was received in translation has been retained.

The meeting \* lasted over ten days - from 25 February to 8 March solving many problems. Apart from reviewing the political line previously adopted by the First Plenary Session, the present meeting proposed new missions. LI Li-san also attended the meeting. Both he and WANG Chia-ch'iang (上 核 卷) made a self-criticism in a most thorough manner. Self-criticism was also made by WANG Ming (主 明)\*\*。 The pre-meeting preparations were excellent. MAO opened the meeting with a political report lasting three hours. Speeches made by the Central Committee members were limited to half an hour each. WANG Ming's selfcriticism took two hours to finish.

## Military Operations:

The meeting reviewed the various theatres of operations covering the Northeast (Manchuria), Wai Hoi\*\*\*, Tientsin and Peiping. It was pointed ment that the Kuomintang (KLT) had been basically shaken, but has not completely collapsed politically and economically. It will collapse totally, in a political sense, as soon as regions south of the river are liberated. From thence on it does not matter whether the Peiping pattern or the Tientsin pattern is to be applied to Manking, Shanghai, Hankow and Shensi; the whole thing will be settled quickly. We should strive for the Peiping pattern, but be prepared to use the Tientsin pattern. While we know the Peiping pattern will involve a lot of complications, we should bear in mind that it reduces losses in man power and resources, which will be greatly beneficial to reconstruction in future. As to Kunming, Sikang and other border regions, they present a comparatively smaller problem, and can be dealt with slowly.

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### The Liberation Army:

After the wholesale liberation of China, our armed forces still have a great role to play - prior to the annihilation of capitalism, they will have to shoulder the responsibility of defending the homeland and safeguarding peace. Their standards should therefore be elevated so as to convert them into schools for training cadres and working units. Our present method of army building is unique in the whole world. Since the introduction of the "classes army building" system last winter, our fighting potential has been highly elevated. The prisoners of war, too, change their ideas very quickly. The application of the "spitting out of bitter water" method has succeeded in lifting their class consciousness.

### Urban and Rural Problems:

We have now arrived at the phase of putting an end to the policy of encircling cities with villages, and must start to tackle the problem of using the cities to lead the villages. In regions south of the Yangtze, seize the cities first and then use them to lead the rural areas. However, it should be specifically emphasized that in pursuing this policy we should not forget the villages altogether. Therefore, from now on, strenuous efforts should be made by our cadres to study how to administer urban areas and how to resume and develop production. This is particularly important in those cities occupied by us through peaceful arrangements, owing to the difficult and complicated character of opposition in the secret service, political, cultural and economic fields. Therefore we must intensify study. On whom shall we rely in our city work? Rely on the working classes, and unite the toiling masses, petty bourgeoisie, revolutionary intellectuals and the enlightened elements of the capitalist classes. Thus, MAO said:

"When we reach the cities, the support we have from the bourgeoisic is not a good thing; what is really good to have is the sincers expression of gratitude by the toiling masses."

### Mission in the South:

Exterminate the reactionary armed forces in both rural and urban areas; build up local governments and various popular organizations; and above all eliminate the bandits and bad characters. In the estimation of the Central Committee, we should make preparations to introduce the "reduction of rent and interest" movement in backward areas in one or two years? time. Meanwhile, the production level in rural areas must be maintained.

#### Economic Reconstruction in Cities:

- 1. The existing industrial economy occupies ten percent of the nation's total. It is of a progressive nature, and should not therefore be ignored. Otherwise we commit the mistake of "rightist deviation."
- 2. Agricultural economy constitutes 90 percent of the nation's total. It should be guided gradually along the line toward cooperative management and collectivism. However, there is bound to be a long period of backward and scattered development. To ignore this point means commission of the error of "leftist deviation."

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- 3. The progressive industrial economy, constituting ten percent, is of a centralized nature, and is therefore to play the leading role. This is of a socialistic nature. To ignore this point is tantamount to "rightist deviation."
- 4. Private economy occupies a secondary position. We must recognize the positive character of private capital. Its development, when and if inimical to the national economy, should be restricted. Methods of restriction are:
  - a. To tax in order to prevent excessive profit.
  - b. To specify the scope of activity.
  - c. To control market prices.
  - d. To improve labor conditions.

The above methods should be employed tactfully and skillfully, i.e. restrictions must not be too sweeping nor too fixed. They must be so applied as to be beneficial to the national economy, otherwise they will constitute a venturesome "leftist deviation."

- 5. Having 90 percent of scattered, individual and backward economy, we must direct it toward a collective basis. To let it flow a natural course is erroneous. Therefore it is imperative to organize cooperative societies at the various levels. That is to say we must use individual economy as the basis; place it under national management, and direct its development toward collectivism. This is an indispensable course and is of a socialistic character.
- 6. Regarding the foreign trade problem, we must not place any reliance on foreigners economically, otherwise independence is not complete. At present two inconsistencies exist: externally, our inconsistency with the imperialists; internally, an inconsistency between our working classes and the capitalists. To deal with the former, we use controlled trade as our weapon; to solve the latter problem, we restrict the development of individual capital. This is the essential basis of our external and internal policy. To ignore it amounts to committing a serious blunder.
- 7. We admit our economic legacy is a poor and backward one, but the Chinese people are brave and industrious. The establishment of a "People's Republic," the leadership of the CCP, and the assistance of friendly nations all combine to insure our successful reconstruction of the country. In the future, we will start doing business on a barter basis, first with the USSR and the democratic countries in Eastern Europe, and at a later stage with the imperialists. Whether the imperialists recognize us or not is a small matter. We shall certainly succeed in building our country.

# Problems of Diplomacy:

The Chinese Revolution is of an anti-imperialistic nature - hence the natural opposition of the imperialists. We must eradicate thoroughly the imperialists domination of China, but must do it methodically. In the first place, we must secure political domination, then do our best to reduce the imperialists domination over our economy and culture, and finally exterminate their influence.

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## Problem of New Political Consultative Conference:

Since the rallying call of our Central Committee, the response from the various democratic parties and cliques has been good. Therefore people have been continuously flowing into the Liberated Areas. Recent military development proceeded so smoothly that we found it necessary to postpone and hold it in Peiping. We have now shifted the capital to Peiping. Wait until the liberation of Nanking and we shall hold the conference. Meanwhile we should guard against the occurrence of any monkey business. Hold fast to our policy, look after the democrats, and show them a good example of ourselves. From New Democracy to Socialism. Liberal scope of propaganda should be permitted to them. Our cooperation with them may stretch from ten to fifteen years. At least, our preparatory work requires ten years. Therefore be ready for long-term cooperation with non-Party people.

#### International Problem:

To fight for our position is a matter of half to one year, but to consolidate it requires a long period. Therefore the imperialists are bound to devise every possible method to deal with us. Headed by America, countries like Great Britain, France and Holland are surrounding and watching us and trying to sabotage. No self-conceited thought should exist. The idea of boasting of your merit and seeking individual pleasure should be discarded forthwith.

25X1A Comment. The Second Plenary Session of the CCP Central Committee was held at Shinchiachuang, with 53 members in attendance and MAO Tse-tung presiding. It made the momentous decision to shift the center of gravity of the CCP movement from the rural peasantry to the urban proletariat.

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Comment. WANG Ming is also known as CH'EN Shac-yu.

Comment. This is probably Weihaiwei.

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